

FAIRFIELD INN
PRESERVE MANAGEMENT PLAN

January 17, 2013

Prepared for:

SURYA LP
10660 Scripps Ranch Blvd.
Suite 100
San Diego, CA 92131

Prepared by:

PLANNING SYSTEMS
1530 Faraday Ave.
Suite 100
Carlsbad, CA 92008

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SYSTEMS



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FAIRFIELD INN PROPERTY PRESERVE MANAGEMENT PLAN

1.0 INTRODUCTION

This Preserve Management Plan (PMP) details the activities necessary to conserve and maintain a natural habitat preserve on a steep slope located at the rear of a graded pad which has been approved by the City of Carlsbad for construction of a Fairfield Inn by Marriott hotel. The conserved area totals 0.34 acres of land and will herein be referenced as the “Preserve Area”. Its location is shown on the *Figure 1, Vicinity Map*. It is being conserved as a “hardline preserve” area in compliance with the City of Carlsbad Habitat Management Plan (HMP) requirements.

1.1 Purpose of Inclusion of the Preserve Area in the HMP

This PMP has been prepared in accordance with the requirements of Condition #9 of the HMP permit allowing for development of the Fairfield Inn hotel project (City of Carlsbad HMP 11-05, PC Reso. No. 6889). This condition was intended to satisfy the requirements of the adopted *Habitat Management Plan for Natural Communities in the City of Carlsbad* (City of Carlsbad HMP 2004). Per the requirements of this condition, the developer is required to satisfy the following:

9. *Prior to issuance of a grading permit or clearing of any habitat, whichever occurs first, the Developer shall take the following actions to the satisfaction of the City Planner in relation to the open space HMP Preserve Area which is being conserved for natural habitat in conformance with the City’s Habitat Management Plan:*
 - a. *Select a conservation entity, subject to approval by the City, which possesses qualifications to manage the open space HMP Preserve Area for conservation purposes.*
 - b. *Prepare a Property Analysis Record (PAR) or other method acceptable to the City for estimating the costs of management and monitoring of the open space HMP Preserve Area in perpetuity in accordance with the requirements of the North County Multiple Habitats Conservation Plan and the City’s Open Space Management Plan.*
 - c. *Based on the results of the PAR, provide a non-wasting endowment or other financial mechanism acceptable to the City Planner and conservation entity, if any, in an amount sufficient for management and monitoring of the open space HMP Preserve Area in perpetuity.*
 - d. *Record a Conservation Easement over the open space HMP Preserve Area.*
 - e. *Prepare a Preserve Management Plan which will ensure adequate management of the open space HMP Preserve Area in perpetuity.*

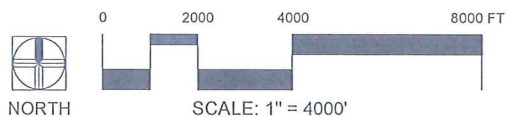


SOURCE: The Thomas Guide, San Diego County, 2005

December 5, 2012

Figure 1 Vicinity Map

Excel Hotels - Palomar Oaks Way Property
Carlsbad, California



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This document is intended to satisfy sections 9(e) and 9(b) of Condition #9, and indirectly provide the basis for satisfaction of sections 9(a), 9(c) and 9(d).

The Fairfield Inn Preserve Area that is the subject of this PMP is 0.34 acres in size. On the north side, it is adjacent to the proposed parking lot for the Fairfield Inn. On the east, south and west (uphill sides), it is adjacent to a much larger accumulation of property fragments which together constitute a large natural hillside of mature Diegan coastal sage scrub (DCSS) and chaparral (CHAP) vegetation. This small section of the natural north-facing hillside is a fractional part of this relatively large (>50 acres) east-west trending band of natural hillside which characterizes this middle portion of Carlsbad. This hillside band of open spaces is owned by a number of different ownerships, primarily Homeowner's Associations.

Pursuant to Figure 4 of the Carlsbad HMP, "*Focus Planning Areas*", this Preserve Area is located at the extreme north end of Linkage F which connects to Core Areas 6 and 8 of the HMP. The relationship of the Fairfield Inn Preserve Area to surrounding open spaces is shown on *Figure 2; Preserve Area Location*.

1.2 Preserve Area History

The entire Fairfield Inn hotel property is 2.49 acres in size and is located on the south side of Palomar Oaks Way, approximately 400 feet southeast of the intersection of Palomar Airport Road and Palomar Oaks Way within the Palomar Oaks Business Park section of the City of Carlsbad. The site is located in the center of the Carlsbad city limits, southwest of the McClellan-Palomar Airport, within Zone 5 of the Carlsbad Local Facilities Management Plan program. The owner of the property is Surya LP.

Upon the federal listing of the California Gnatcatcher as a threatened species in 1992, the U.S. Fish & Wildlife Service (USFWS) and California Dept. Fish & Game (CDFG) and the City put together a comprehensive, citywide program which allowed for the preservation of the most sensitive and diverse biological resources, while allowing for development consistent with the City's General Plan and its Growth Management Plan. This program is titled the HMP. This HMP constitutes an adopted habitat conservation plan (HCP) for all of Carlsbad, and a sub-area plan in CDFG's Natural Communities Conservation Planning program (NCCP) for the county of San Diego.

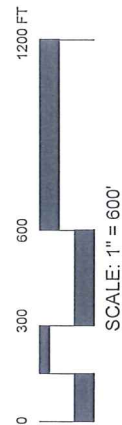
The Fairfield Inn property landowner (Surya LP) has received approval of development entitlements to construct a 99-room Fairfield Inn by Marriott on the graded pad which constitutes the majority (approximately 2.15 acres) of the Fairfield Inn property. The remaining 0.34 acre consists of area to remain as an undeveloped hardline preserve area, and thus to be conserved for biological habitat protection. This 0.34 acre Preserve Area is the subject of this PMP. The 0.34 acre property is located on the extreme southern section of the property, and is characterized by a natural steeply sloping north-facing hillside, which slopes downward to the proposed hotel.

The Fairfield Inn by Marriott project was determined by the City of Carlsbad to be exempt from the requirements of the California Environmental Quality Act (CEQA) per Section 15332.



Figure 2
Fairfield Inn
Preserve Area Location Map
 Excel Hotels - Palomar Oaks Way Property
 Carlsbad, California

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1.3 Purpose of this Preserve Management Plan

This PMP identifies the long-term conservation and management objectives and measures necessary to protect and manage the 0.34 acre Preserve Area in accordance with the requirements of the Carlsbad HMP.

It is intended that this PMP guide management of habitats and species within the conserved area to achieve the City's obligation to protect the existing wildlife values of this area, as indicated in the HMP and the City/USFWS/CDFG Implementing Agreement. The PMP also serves to describe and protect the native plant habitats and wildlife which occur on or within the Preserve Area. The PMP also provides an overview of the Preserve Area's responsible parties, and required maintenance. It serves as a budget planning aid and outlines required annual work plans and reporting responsibilities for the Preserve Area. The PMP also provides a guide to protect the site from outside threats, and states the responsibilities of the several parties involved in the long term management of the subject property.

More specifically, the purpose of this PMP is to establish parameters for the long-term management and protection of the biological resources of the Preserve Area. The intent is to assure that, through proper maintenance and monitoring, the biological values will be protected from urban disturbances. Through implementation of this PMP, it is anticipated that the open space area; (a) will not be degraded or decrease in value as viable DCSS/CHAP habitat, (b) will stay biologically integrated into the overall open space network of the City of Carlsbad, and (c) will maintain its character as a wildlife movement corridor.

In light of the very small size and limited scope of the area subject to management, the applicant is proposing that the owner of the property, Surya LP, perform duties as the Preserve Manager for the conserved area. This obligation to operate as Preserve Manager would run with the land in the event of sale of the property.

2.0 PRESERVE AREA DESCRIPTION

The subject 0.34 acre Preserve Area is located within the City of Carlsbad, San Diego County, California, approximately 2 miles inland from the Pacific Ocean.

2.1 Geographical Setting

The conserved area of the Fairfield Inn property is located south of the intersection of Palomar Airport Road and Palomar Oaks Way, approximately 200-feet south of Palomar Oaks Way. The location is shown more specifically on the *Figure 3, Aerial Photograph*.

The Fairfield Inn property is accessed via a public street, Palomar Oaks Way, and contains full street frontage improvements along its frontage. Properties to the east of the site contain existing industrial business park office buildings, and related parking lots and landscape features. Properties to the west are graded pads which are anticipated to accommodate future expansion of the industrial office park development in the area. Property to the south involves a high, natural hillside slope, covered with native vegetation. Single family homes exist further to the south at the top of the natural hillside slope.

The proposed Fairfield Inn hotel and its associated parking lot and landscaping features will result in urban development of the graded pad on the 2.49 acre property. The 0.34 acre Preserve Area slopes up from this pad up to about 25-feet above the pad to the south property line. Beyond this south property line are situated off-site properties which contain similar mature Diegan coastal sage scrub (DCSS) and chaparral (CHAP), all of which together make up the large hillside open space band characterizing this area of Carlsbad.

2.2 Geology, Soils, Climate, Hydrology

The project site is located in the western portion of the Peninsular Ranges Geomorphic Province of Southern California. The Peninsular Ranges are essentially a series of northwest-southeast oriented fault blocks. The western portion of the Peninsular Ranges generally consists of Upper Cretaceous, Tertiary, and Quaternary-age sedimentary rocks.

The underlying surficial geology is mapped as Visalia series deep sandy loam on alluvial fans and floodplain, 2 to 5 percent slope. This occurs on the flat portions of the site. Loamy alluvial land-Huerfuerio complex, 9 to 50 percent slopes, severely eroded occurs on the southern slopes of the site. This specific slope exceeds generally 40% gradient. Coastal sage scrub and chaparral grows on the steep slope.

The climate of the area is Mediterranean with the temperatures in central Carlsbad ranging from an average 58 degrees in January to 73 degrees in July, and with an average annual rainfall of about 10 inches.

The 0.34 acre property is located within the hydrologic unit of the Encinas Creek Watershed, approximately 2.5 miles upstream from the Pacific Ocean. Regionally, the Encina Creek and its tributaries drain about four (4) square miles from El Camino Real, into and through the central portion of Carlsbad, where it ultimately discharges into the Pacific Ocean at Carlsbad State Beach.



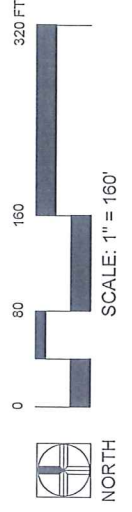
Figure 3
Aerial Photograph
 Excel Hotels - Palomar Oaks Way Property
 Carlsbad, California

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2.3 Preserve Area Boundaries and Historic/Adjacent Land Use

The Preserve Area is shown on *Figure 4; Fairfield Inn Preserve Area*. The Preserve Area is undeveloped and no historic evidence exists that it has ever been developed. Properties to the east of the Fairfield Inn site contain existing industrial business park office buildings, and related parking lots and landscape features. Properties to the west are graded pads which are anticipated to accommodate future expansion of the industrial office park development in the area. Property to the south involves a high, natural hillside slope, covered with an expansive area of native vegetation. Single family homes exist further to the south at the top of the natural hillside slope.

2.4 Ownership and Legal Description

The owner of the property addressed in this PMP is:

SURYA LP
10660 Scripps Ranch Blvd.
Suite 100
San Diego, CA 92131
www.excelhotelgroup.com

The legal description of the Preserve Area is as follows:

A Portion of Lot 15 and a Portion of Lot 16 of Carlsbad Tract No. 80-38, Map No. 10198, as Filed in the Office of the County Recorder, County of San Diego, State of California, as Instrument No. 81-294627, Dated September 15, 1981, Official Records.

The Assessor's Parcel No. is 213-091-06. The Preserve Area constitutes the rear (southerly) 0.34 acres of this parcel.

2.5 Conservation Easement Compliance

The Preserve Area will be permanently conserved and protected by a Restrictive Covenant (RC), with the City, the California Department of Fish and Game (CDFG) and the U.S. Fish and Wildlife Service (USFWS) as third party beneficiaries. The RC will provide a list of permitted and prohibited uses of the Preserve Area land. Any activity on or use of the Preserve Area inconsistent with the Purpose of the RC will be prohibited. The RC shall allow for the entry of authorized personnel to perform invasive species treatment and biological monitoring, if necessary. The following activities are expressly prohibited, except as may be specifically provided for in this PMP.

- Supplemental watering except for habitat enhancement activities described in the RC;
- Use of herbicides, pesticides, rodenticides, biocides, fertilizers, or other agricultural chemical or weed abatement activities, except weed abatement activities necessary to control or remove invasive, exotic plant species conducted by a herbicide applicator licensed to work within habitat preserve areas;
- Incompatible fire protection activities, except as allowed in the RC;
- Use of off-road vehicles and use of any other motorized vehicles;
- Livestock grazing or other agricultural activities;

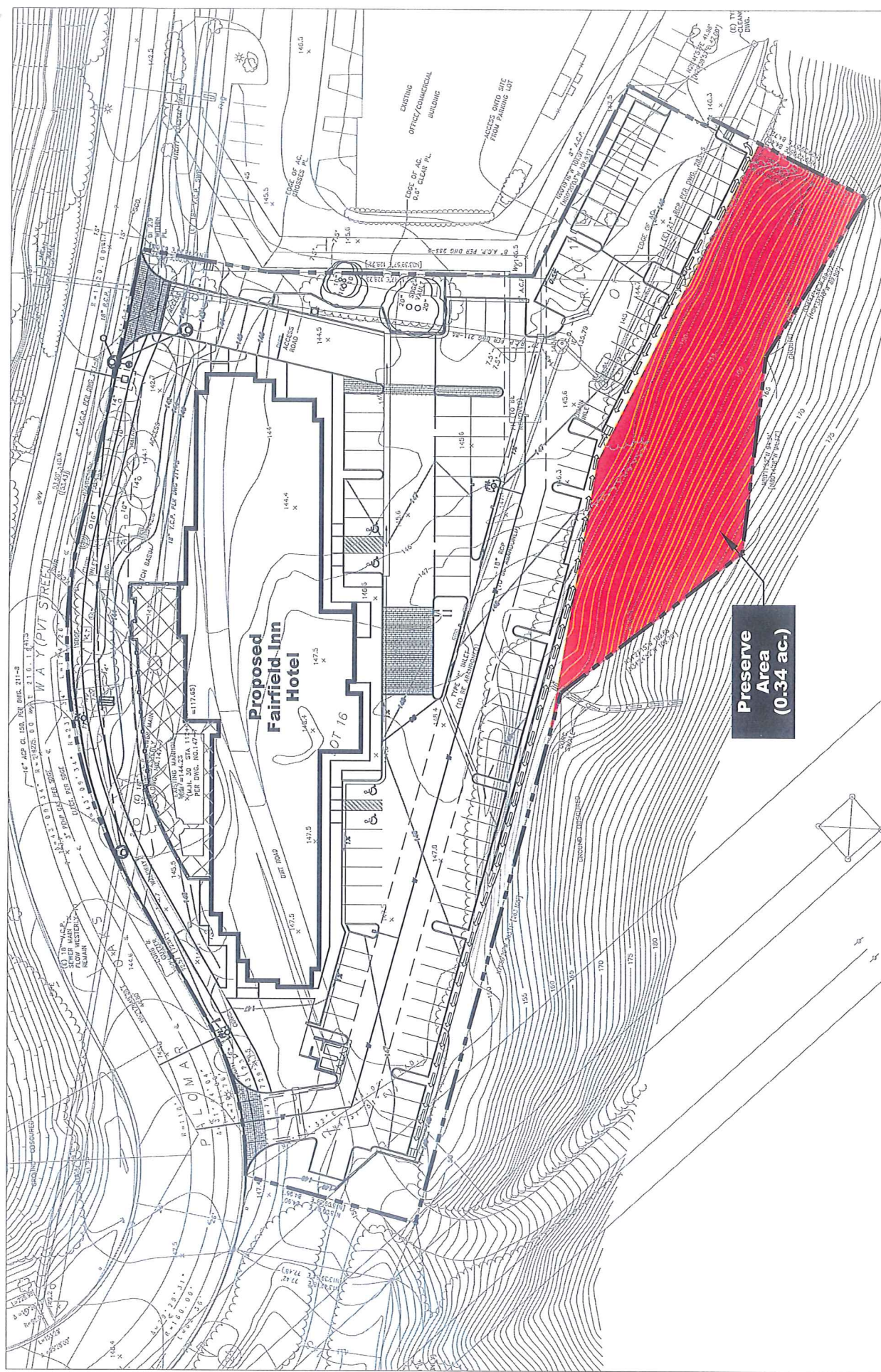


Figure 4

Fairfield Inn Preserve Area

Excel Hotels - Palomar Oaks Way Property
Carlsbad, California

December 5, 2012

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120 FT

60

30

SCALE: 1" = 60'



NORTH

- Recreational activities including but not limited to horseback riding, biking, hunting or fishing;
- Residential, commercial, retail, institutional or industrial uses;
- Any legal or de facto division, subdivision or portioning of the Preserve Area; Construction, reconstruction or placement of any building or other improvement, billboard, or signs except signs permitted by the RC;
- Depositing, dumping or accumulating soil, trash, ashes, refuse, waste, bio-solids or any other material;
- Planting introduction or dispersal of non-native or exotic plant or animal species;
- Filling, dumping excavating, draining, dredging, mining, drilling, removing or exploring for or extraction of minerals, loam, gravel, soil, rock, sand or other material on or below the surface of the Preserve Area;
- Altering of the general topography of the Preserve Area, including but not limited to building of roads, trails and flood control work;
- Removing, destroying, or cutting of trees, shrubs or other vegetation, except as necessary for emergency fire protection, controlling invasive, exotic plants which threaten the integrity of the habits, preventing or treating disease, completing the Mitigation Plan, or activities described in the RC;
- Manipulating, impounding or altering any natural watercourse, on the Preserve Area, and activities or uses detrimental to water quality, including but not limited to degradation or pollution of surface or sub-surface waters; and
- Fuel modification zones, except as allowed in the RC.

The subject 0.34 acre conserved area is generally weed-free, in good health and vigor. It contains few or no invasive plants. Further, the landscape mix for the Fairfield Inn project avoids the use of invasive plants (as identified on List A and List B of the California Exotic Plant Council's List of Exotic Plants of Greatest Ecological Concern in California, as of October, 1999, and updated if applicable) on the site, and particularly in the rear of the hotel lot adjacent to the Preserve Area.

A fence and signage will be provided in conjunction with development of the Fairfield Inn to protect the Preserve Area from disturbance or threats from the adjacent development. As a result of the fact that a hardline preserve exists on the property, the property is subject to Adjacency Standards as identified in the HMP, in order to minimize indirect urban impacts. As part of the program to minimize indirect impacts on the Preserve Area, the Fairfield Inn hotel project will provide low sodium, downcast/fully shielded temporary (during construction activities if required) and permanent lighting for the project, all directed away from the Preserve Area slope. No substantive threats exist from the uphill sides.

As a requirement of the HMP (and the conditions of approval for the Fairfield Inn project, long-term management and monitoring of the Preserve Area is required.

3.0 VEGETATION CHARACTERISTICS OF THE CONSERVED AREA

A biological survey of the 0.34 acre property has been conducted by biologists from Planning Systems. Surveys were conducted on foot and the entire property was surveyed and inventoried for biotic components. This information on vegetation and wildlife was provided in a Biological Technical Report for the Fairfield Hotel Site, dated 11-30-11, the results of which are summarized below. A focused survey for the coastal California gnatcatcher (*Poliophtila californica californica*) was conducted by Mr. Vincent N. Scheidt, the results of which were negative.

3.1 Vegetation

The vegetation on the property was surveyed in May, 2011. This survey concluded that the vegetation on the 0.35 acre Preserve Area is almost totally Diegan Coastal Sage Scrub-Chaparral (DCSS/CHAP) community (a very small area of Disturbed Land is also found on the site) This information is shown on *Figure 5; Vegetation Map*. DCSS/CHAP is a native plant community composed of a variety of low-growing, aromatic shrubs, characteristically dominated by drought-deciduous local species. The DCSS/CHAP vegetation on the site contains greater than 70% ground cover attributable to evergreen sclerophyllous chaparral species and drought-deciduous malacophyllous sage scrub species. Plants in this community found on the property include Black sage (*Salvia mellifera*), Chamise (*Adenostoma fasciculatum*), Lemonadeberry (*Rhus integrifolia*), and Coast sagebrush (*Artemisia californica*).

3.2 Plant Species

No plant species listed as rare, threatened, or endangered by USFWS or the CDFG and no otherwise designated as sensitive plants were detected in the conserved area during the survey period. Inasmuch as the survey occurred during the month of May, and the previous (2010-2011) winter had a higher than average level of precipitation, it is expected that any sensitive plants would have been flowering, and/or otherwise visible. It is concluded that no sensitive plants occur on the Preserve Area.

3.3 Wildlife Species

An animal survey was also conducted on the site in May, 2011. Bird species observed within and around the area are the Western Scrub Jay (*Aphelocoma coerulescens*), Anna's Hummingbird (*Archilochus anna*), Red-tailed Hawk (*Buteo jamaicensis*), Lesser Goldfinch (*Carduelis psaltria*), Housefinch (*Carpodacus mexicanus*), Common Crow (*Corvus brachyrhynchos*), Common Raven (*Corvus corax*), Common Yellowthroat (*Geothlypis trichas*), Cliff Swallow (*Hirundo pyrrhonota*), California Towhee (*Pipilo crissalis*), Mourning Dove (*Zenaida macroura*), Bewicks Wren (*Thryomanes bewickii*), Western Kingbird (*Tyranus verticalis*), House Sparrow (*Passer domesticus*), Northern Mockingbird (*Mimus polyglottos*), California Thrasher (*Taxostoma redivivum*) and the Wrentit (*Chamaea fasciata*).

Mammals were observed on the subject preserve include the Brush Rabbit (*Sylvilagus bachmani*) and the California Ground Squirrel (*Otospermophilus beecheyi*). The only invertebrate species that was observed within the Study Area was the Cabbage White butterfly (*Pieris rapae*). No amphibians were observed on the site. No amphibian calls were detected on the site. No reptiles were observed on the site. No reptile calls were detected during the survey.



Figure 5

Preserve Area - Vegetation

Excel Hotels - Palomar Oaks Way Property
Carlsbad, California

December 5, 2012

3.4 Species Covered by the HMP and Other Sensitive Species

No plant species listed as rare, threatened, or endangered by USFWS or CDFG were detected in the project area. No sensitive wildlife were observed within the area during the biological surveys. As a result of the fact that the site supports DCSS, a protocol survey for the presence or absence of the Coastal California Gnatcatcher (*Poliophtila californica californica*) was performed. This species is a federally-listed Threatened species which is known to inhabit the DCSS habitat type. The protocol survey concluded that *"California Gnatcatcher was not detected on or adjoining the project site at any time during the protocol field surveys. The property is thus considered "unoccupied" by this species."*

No wetlands or riparian habitat or area otherwise jurisdictional delineation to the U.S. Army Corps of Engineers, CDFG, or the Regional Water Quality Control Board occurs on the property.

3.5 Fire History

No fire history is available other than from the current owner. There have been no fires recorded for the site under the current owner. No evidence of recent fire exists on the site.

3.6 Threats

The property has no evidence of threats to the native habitats because there is currently very little human intrusion into the Preserve Area because it is steep and relatively inaccessible. No trails or convenient access points into the site exist. No encampments exist on the site. No man-made structures exist on the property. No specific observance of weed invasion from existing non-native grasslands (NNG) on the adjacent future Fairfield Inn hotel pad has occurred on the Preserve Area. Upon completion of construction of the Fairfield Inn project, potential threat to the Preserve Area from weed invasion should be further reduced due to the fact that the Fairfield Inn project will avoid installation of invasive plant species. Human intrusion from the adjacent Fairfield Inn should also be avoided through the required construction of a permanent fence which will demarcate the limit between the Fairfield Inn parking lot and the Preserve Area.

4.0 MANAGEMENT AND MONITORING GOALS AND ASMDS

The Fairfield Inn Preserve Area is 0.34 acre in size. It consists of a steep slope that is presently covered with mature Diegan coastal sage scrub (DCSS)/chaparral (CHAP) native vegetation. The DCSS/CHAP dominates the slope. It is surrounded on three sides by similar DCSS/CHAP native vegetation. The slope is presently healthy and generally weed-free. The adjacent Fairfield Inn will not be developed with any invasive landscape plants, and thus the Preserve Area is not expected to be the subject of weed invasion. The main objective of this PMP is to ensure that the Preserve Area remain and be preserved in its natural condition.

Thus, with regard to long-term management of the Preserve Area property in its natural condition, the status of the site can be summarized by the following factors:

- The property will be covered by a restrictive covenant;
- The property contains no man-made features;
- The property is covered with healthy, mature DCSS/CHAP native vegetation;
- The property contains no endangered, threatened or listed plants or animal species;
- The property is generally weed-free;
- The property has no present erosion problems;
- The property contains no fire suppression or fuel management features or requirements;
- The property has no trails or other public access routes;
- The property contains no encampments and is not conducive to encampments;
- The property will be fenced and possess minimal urban interface;
- The property contains no revegetated areas;
- The property contains no 3rd party easements or other encumbrances;
- Initial improvements (fencing, signage) are all costs borne by the property owner.

As a result of the very small size and existing low-threat circumstances of the Preserve Area, and thus the limited scope of management needed, the following biological, public use and fire management goals and ASDMs (Area Specific Management Directives) are proposed which are expected to result in satisfaction of the goals.

4.1 Biological Goals

Maintain the health and diversity of the DCSS/CHAP habitat within the Preserve Area to maintain its maximum ecological value. Thus, this goal would preclude the crushing or killing of existing native plant materials, and prohibit the removal of any plants, animals, rocks, minerals, or other natural resources from the Preserve Area. It would also preclude the opportunity for invasion of weeds and/or non-natives into the Preserve Area.

4.1.1 Biological ASMD – Fencing and Signage

Upon completion of grading and construction of the proposed Fairfield Inn project, a permanent fence will be placed to demarcate the northern boundary of the Preserve Area (the boundary between the hotel parking lot and the Preserve Area). This fence shall be constructed of durable materials and designed so that it does not allow domestic dogs and cats to pass through. A single locked gate will be provided for access to the Preserve Area by maintenance crews. Signs bolted to the fence will provide notice to patrons of the Fairfield Inn that the area is an ecological open

space, that trespassing is prohibited, and will cite penalties for trespass violation, including liability for repair of any damage within the fenced area such as disturbance of soil or vegetation. The signs will also identify a contact for additional information. Fence, gate and signage locations are shown on *Figure 6; Fencing and Signage* and will all be constructed by the Fairfield Inn developer, in conjunction with development of the Fairfield Inn project.

4.1.2 Biological ASMD – Trash Removal

The accumulation of trash and/or other debris on the Preserve Area shall be monitored and removed on a regular basis. The Preserve Manager will remove trash and debris, or repair vandalism if necessary, from the Preserve Area when the trash or debris is observed and no less frequently than once per year.

4.1.3 Biological ASMD – Erosion Control

No significant observable erosion exists on the Preserve Area site. However, in the event that any significant unnatural erosion occurs within the Preserve Area, it shall be repaired promptly after it is detected, to minimize soil loss and sediment deposition.

4.1.4 Biological ASMD – Weed Control

No invasive plants exist on the Preserve Area site. Invasive plant invasion shall be controlled through yearly observation of the Preserve Area. Any observation of weed invasion from the Fairfield Inn property should be eliminated through chemical or mechanical control methods. All herbicide treatments must be supervised by a licensed herbicide advisor and applied under the direction of a licensed herbicide applicator.

4.1.5 Biological ASMD – Removal of Encampments

Although no history exists of migrant encampments on the Preserve Area property, the Preserve Manager shall survey the Preserve Area for humans and encampments during general site visits and report them to the City and applicable law enforcement agencies.

4.2 **Public Use Goals**

No public use of the Fairfield Inn Preserve Area is anticipated. No trails or other recreational uses exist or are planned.

4.3 **Fire Management Goals**

The closest development, the Fairfield Inn, maintains an appropriate 60-foot fire suppression zone wholly outside of the Preserve Area, within the hotel development site. No flammable structures will be constructed within this fire suppression zone. No fire management on the Preserve Area is necessary.

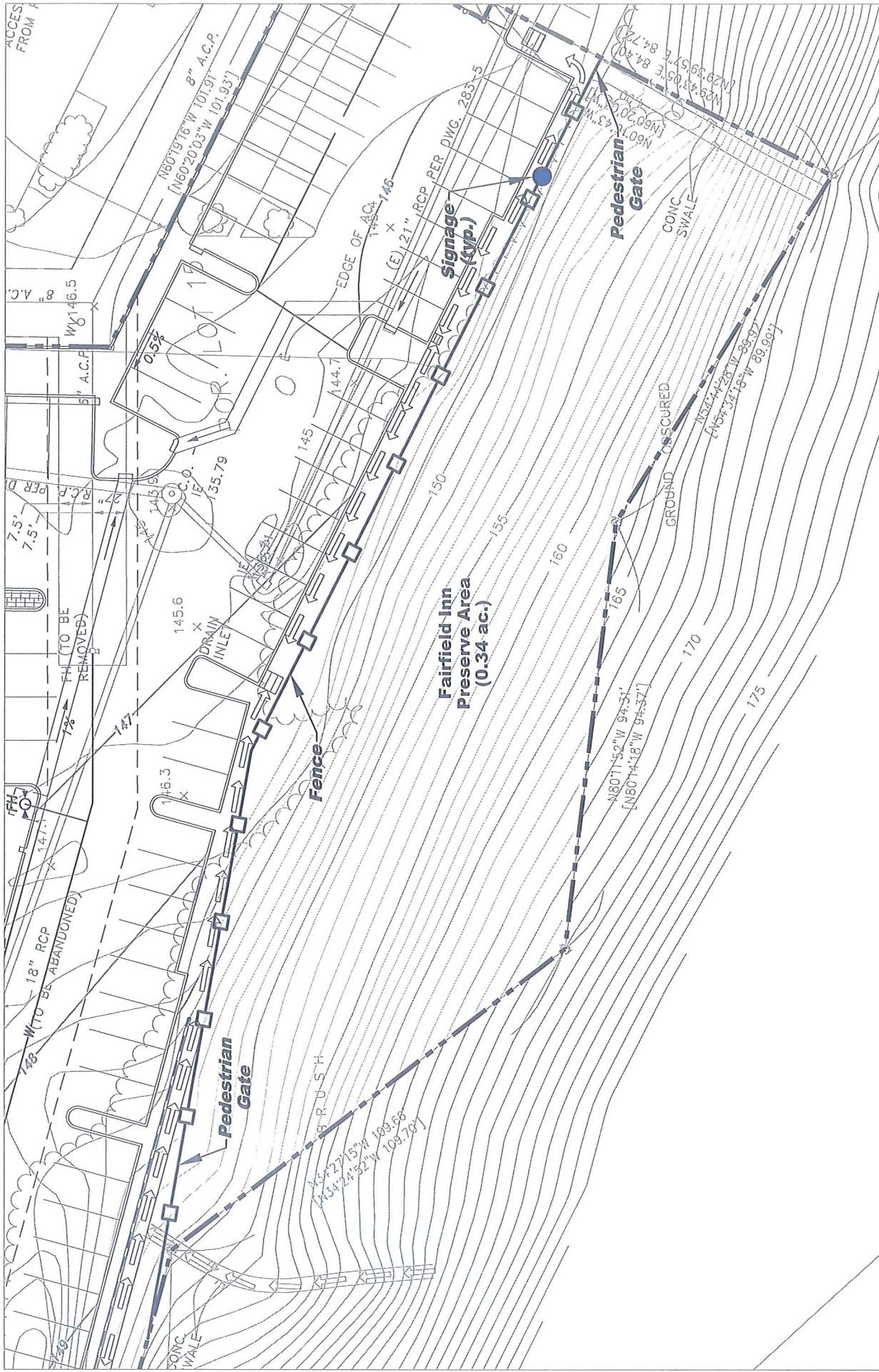


Figure 6

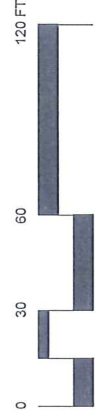
Preserve Area Fencing & Signage

Excel Hotels - Palomar Oaks Way Property
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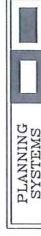
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NORTH



SCALE: 1" = 60'



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(760) 931-0740 FAX (760) 931-5744

5.0 ADMINISTRATION AND REPORTING

As a result of the fact that the Fairfield Inn Preserve Area is very small (0.35 acre) in area, contains healthy, mature DCSS/CHAP vegetation, contains no sensitive or listed plant or animal species, is generally free of any invasive or exotic plants, contains no man-made features, access points or trails, provides no public or recreation use, and contains no adjacent urban uses except for the Fairfield Inn parking lot, the preserve management for the Fairfield Inn Preserve Area shall be the responsibility of the Fairfield Inn property owner. Thus, the Fairfield Inn property owner shall be referred to in this PMP as the Preserve Manager.

5.1 Preserve Manager

The City and the property owner have agreed that the property owner will perform the duties as the Preserve Manager. The Preserve Manager shall incur and pay for management costs of the Preserve Area. The City certifies that the Preserve Manager is competent to direct performance of the required duties, and in doing so fulfills the requirements set forth in the City and Resource Agency-approved HMP for mitigation purposes.

The Preserve Manager shall actively manage the Preserve Area in perpetuity in accordance with the requirements of this PMP. The Preserve Manager shall fully fund the yearly management and maintenance obligations referenced in the list of ASMD's in Section 4.0 of this PMP. The Preserve Manager shall hire a qualified biologist to perform the annual inspections and provide a summary report on this to the City of Carlsbad as referenced in Section 5.2 below. The Preserve Manager shall have ultimate responsibility for PMP implementation, subject to review and oversight by the appropriate representatives of the City of Carlsbad.

In addition, the property owner shall fund a non-wasting perpetual maintenance endowment which will provide sufficient funds to cover all necessary maintenance costs for the Preserve Area property. This endowment shall be used as funding and security assurance of faithful performance of the maintenance obligations in this PMP. In the event that the City of Carlsbad Planning Department determines that the Preserve Manager has neglected to or has incompletely conducted the maintenance activities required in this PMP, the City of Carlsbad may, at their discretion, request disbursement of funds from the endowment in order to fund completion of the maintenance activities required in this PMP.

5.2 Annual Report

An annual report will be prepared by the Preserve Manager by November 15th of any year for that year's (the HMP Annual Reporting cycle is from November 1 to October 31 of the year) monitoring and maintenance. The annual report will contain a summary of management and maintenance actions taken during the prior year, and identify any perceived ongoing or anticipated problems. A copy of the annual report will be kept in the permanent files of the manager as well as provided to the City of Carlsbad Planning Division and Environmental Management Division. Such report will include a summary of monitoring and remediation activities associated provided during that year, as well as a status of the endowment and a comparison of the budgeted and actual expenditures for the reporting period.

5.3 Budget and Endowment Management

The property owner (Preserve Manager) will be responsible for the installation of improvements, performance of the maintenance and monitoring activities, and both the endowment funding and the yearly operational funding required in this PMP. First, the property owner will establish a non-wasting endowment in order to fund a performance security which can be utilized to ensure funding of performance of the preserve maintenance and management duties required herein. The endowment amount has been determined by a Property Analysis Record (PAR) budget which indicates the accrued interest funding which would be necessary to perform the activities required in this PMP on an ongoing basis. The endowment will be held by an outside non-profit foundation (such as the San Diego Foundation) acceptable to the City of Carlsbad, and authorized to control and distribute such funds. The endowment amount has been determined below assuming an annual average rate of return of 4.5%, after inflation.

Notwithstanding that the endowment funds will accrue interest, the endowment and interest funds will not be used for the purpose of routine yearly maintenance and monitoring of the preserve as required by all conditions and requirements set forth in this PMP. Rather, the Preserve Manager will directly fund the yearly maintenance and monitoring obligations from the owner's private funds. Further, in the event that the present owner sells the property or otherwise transfers responsibility of the open space to another entity, the new owner(s) will then become the new Preserve Manager and become responsible for yearly funding and performance of the requirements of this PMP.

As a result of the fact that the Preserve Manager is the direct funding source for yearly activities and responsibilities required by this PMP, the endowment acts as security for performance of the obligations articulated in this PMP. To this end, an annual report shall be provided by the Preserve Manager to the City of Carlsbad (required reporting information is indicated in Section 5.2 above). In the event that the City of Carlsbad determines that the requirements of this PMP have not been satisfactorily performed, the City may request and receive accrued interest funding from the endowment holder in order to directly address the observed shortcomings.

5.3.1 Site Construction

The property owner (Surya LP) will be fully responsible for funding installation of the permanent fence, gate and signs between the Preserve Area and the Fairfield Inn hotel parking lot. The fence will include installation of two gates to allow for maintenance access, and for the installation of signs bolted to the fence which will provide notice that the area constitutes an official ecological reserve. The property owner will also be responsible for repair and replacement of the fencing, gates and signage, as necessary.

5.3.2 Ongoing Maintenance and Monitoring Tasks

Yearly monitoring and maintenance of the Preserve Area in accordance with the requirements of this PMP shall be the responsibility of the property owner. The property owner shall hire a qualified biologist to perform the annual preserve inspections and provide the annual report. A non-wasting endowment shall be provided which will provide sufficient account to fund the yearly monitoring and maintenance operations in perpetuity. Ongoing maintenance and monitoring costs for the monitoring and maintenance of the Preserve Area are calculated as

indicated on the Endowment budget Cost Analysis table on p. 19 of this PMP. This endowment will enable the Preserve Manager to manage the property in accordance with the requirements of this PMP.

It is the intent of the endowment program to ensure security of a funding source in the event that the Preserve Manager did not satisfactorily perform the requirements stated in this PMP. If management and/or maintenance costs for any particular year are required to exceed the interest value, then the excess costs will be borne by the Preserve Manager, and not by using endowment principle funds which would result in reducing the principle amount.

5.3.3 Property Analysis Record (PAR)

An analysis has been conducted as to the estimated costs associated with requisite tasks necessary to perform required minimal monitoring and management of the 0.35 acre Fairfield Inn Preserve Area. The following are the results of a Property Analysis Record (PAR) budget analysis which determines the minimal funds necessary to perform (on a long-term basis) the activities required by this PMP.

Endowment Budget Cost Analysis

Task	Specification	Unit	Number of Units	Cost per Unit	Annual Cost	Total Cost
Project Supervision, Reporting	Administration, Accounting, Biologist Reports	Labor hours	2.0	\$80.00	\$160.00	\$2,643.75
Trash Removal	Trash removal (See note below)	Labor hours	1.0	\$40.00	\$40.00	\$4,406.25
Weed, Erosion Inspection	Yearly investigation of site by biologist	Labor hours	2.5	\$80.00	\$200.00	\$2,350.00
Total Person-hours per year			5.5			
Yearly management costs based on 4.25% of endowment per year					\$400.00	4.25%
Endowment necessary to provide annual income of \$400.00.						\$9,400.00

Note: The above budget assumes the following:

- The property is 0.34 acres in size;
- The property contains no man-made features;
- The property is almost wholly covered with healthy, mature DCSS/CHAP native vegetation;
- The property contains no endangered, threatened or listed plants or animal species;
- The property is generally weed-free;
- The property has no erosion problems;
- The property contains no fire suppression features or requirements;
- The property has no trails or other public access routes;
- The property contains no encampments and is not conducive to encampments;
- The property is fenced and possesses minimal urban interface;
- The property contains no 3rd party easements or other encumbrances;
- Initial improvements (fencing, signage) are all costs borne by the property owner;
- Trash removal will be combined with regular maintenance of the adjacent hotel parking lot.

5.4 Summary Conclusions

The results of the PAR Budget indicate that the property-owner (applicant) shall provide a non-wasting endowment of \$9,400 which will provide sufficient interest to ensure security of performance of management and maintenance obligations. The Preserve Manager shall directly fund the yearly maintenance and monitoring obligations from the owner's private funds. In the event that the Preserve Manager (property owner) does not perform the maintenance obligations required in this PMP to the satisfaction of the City of Carlsbad, the endowment interest funds may be accessed by the City and the City perform such maintenance.

Thus, in order to fulfill Condition #9(c) of HMP 11-05, the developer of the Fairfield Inn project will deposit the full endowment amount of \$9,400 as shown in the PAR budget referenced above, with an entity acceptable to the City of Carlsbad, prior to construction of the Fairfield Inn project. The developer shall also construct the necessary fencing, signage and other improvements required by this PMP, and shall maintain the preserve in accordance with the requirements articulated in this PMP.